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DEPARTMENT OF TRANSPORTATION

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DOCKET SECTION

Northwest Airlines, Inc.

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May 8, 1996

The Honorable Hark L. Gerchick
Deputy Assistant Secretary for
Aviation and International Affairs
U.S. Department of Transportation
Washington, DC 20590

OST-96-1116-19

Dear Mr. Gerchick:

This responds to your letter of May 7, 1996, inquiring whether Northwest and KLM would voluntarily accept restrictions on their IATA participation identical to those the Department actually imposes on any other alliances it might grant antitrust immunity to in the future. Northwest and KLM would be willing voluntarily to limit their participation in IATA in the following respect: Northwest and KLM would agree not to participate in those aspects of IATA traffic conferences involving the setting of tariffs in U.S.-transatlantic open skies markets. Northwest and KLM would agree to such a condition only if an analogous and at least as restrictive condition also is imposed on all other alliance participants granted antitrust immunity by the Department.

Under the voluntary condition described above, Northwest and KLM would be free to participate in all aspects of IATA not relating exclusively to the setting of transatlantic tariffs between the United States and open skies countries. For example, Northwest and KLM could continue to participate without limitation in IATA traffic conferences when tariffs are being set in markets other than transatlantic U.S.-open skies countries. In addition, Northwest and KLM could continue to participate in any and all IATA traffic conferences, composite conferences, committees, advisory groups and other meetings covering a variety of issues, including but not limited to: interlining; ticketing; passenger services; travel agencies; computer reservation systems; financial reporting and statistics; security; operations; engineering; maintenance; and schedule coordination.

Thank you.

Sincerely,

c c Paul V. Mifsud, Esq. (KLM)



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